

Roll No. .

57531

BBA 4th Semester (N. S.) 2014-17
Examination – July, 2022

FINANCIAL MANAGEMENT

Paper : BBAN-401

Time : Three Hours]

[Maximum Marks : 80

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard, will be entertained after examination.

Note : Attempt **compulsory** Question No. 1 from Section-A and **four** questions from Section-B (one question from each Unit). All questions carry equal marks.

SECTION – A

1. Write brief notes on :

- Financial assets
- Time value of money
- IRR

- Explicit cost
- Retained earnings
- EPS
- Dividend pay-out ratio
- Optimum cash level

SECTION – B

UNIT – I

- Highlight the importance and scope of financial management in an organization. What are the major issues involved in liquidity decisions ?
- Distinguish between profit maximization and wealth maximization. Which of them is a more appropriate objective ? Why ?

UNIT – II

- Discuss the features and types of investment decisions. Using examples, illustrate the determination of PBP in case of equal and unequal cash flows.

5. Write notes on

- (a) Risk adjusted discount rate
- (b) Capital rationing

UNIT - III

6. What is EBIT-EPS analysis ? What purpose does it serve ? How would you compute the indifference point in the EBIT-EPS analysis ? Show with the help of an example.

7. Describe in detail, using diagram, the traditional approach. What are its major criticisms ?

UNIT - IV

8. What is the importance of working capital for an organization ? Explain and illustrate the working capital cycle and cash conversion cycle.

9. Write notes on :

- (a) ABC analysis
- (b) Costs and benefits associated with extension of credit